

Exhibit 3

BRENDA JONES

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

In Re:) Chapter 9

CITY of DETROIT, MICHIGAN,) Case No. 13-53846

Debtor.) Hon. Steven Rhodes

The Videotaped Deposition of BRENDA JONES,
Taken at 2 Woodward Avenue, Suite 500,
Detroit, Michigan,
Commencing at 9:20 a.m.,
Monday, August 4, 2014,
Before Leisa M. Pastor, CSR-3500, RPR, CRR.

Elisa Dreier Reporting Corp. (212) 557-5558
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1 BRENDA JONES

2 APPEARANCES:

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4 GREGORY M. SHUMAKER, ESQ.

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6 Jones Day

7 51 Louisiana Avenue, N.W.

8 Washington, D.C. 20001

9 Appearing on behalf of the Debtor.

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14 ROBERT HERTZBERG, ESQ.

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17 Southfield, Michigan 48075

18 Appear on behalf of Debtor.

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6 Appearing on behalf of The City of Detroit.

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10 WILLIAM ARNAULT, ESO.

11 Kirkland & Ellis, LLP

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14 Appear on behalf of Syncora.

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1 BRENDA JONES
2 DAN BARNOWSKI, ESQ. (VIA TELEPHONE)
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6 Washington, D.C. 20005

7 Appearing on behalf of the Official Committee of
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14 380 North Old Woodward Avenue, Suite 300
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16 Appear on behalf of FGIC.

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10 SEAN P. GALLAGHER, ESQ.

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16 Appearng on behalf of Detroit Retirement Systems.

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18 JOSEPH E. TURNER, JR., ESO.

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1 BRENDA JONES

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6 Appear on behalf of the State of Michigan.

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10 DAVID NESTOR, ESO. (VIA TELEPHONE)

11 Davis, Polk & Wardwell LLP

12 450 Lexington Avenue

13 New York, New York 10017

14 Appear on behalf of Merrill Lynch.

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¹⁰ See G. L. Clegg, "The English Poor Law and the Poor Law Amendment Act of 1847," *Journal of Economic History*, 33 (1975), 11–26.

23 Corp.

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1 BRENDA JONES

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3 ALSO PRESENT:

4 Justin Slanek - Video Technician

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BRENDA JONES

2 A. I don't recall.

3 Q. Do you know how many open positions?

4 A. I don't recall.

5 Q. Do you know if more people applied than were open
6 positions?

7 A. I'm sure.

8 Q. Why do you say you're sure?

9 A. Because unemployment rates in the city of Detroit is
10 extremely high.

11 Q. And is a job with the City considered a good job here
12 in Detroit?

13 A. I'm sorry?

14 Q. Is a -- is a job with the City of Detroit considered a
15 good job?

16 A. Yes.

17 Q. As president of the City Council, do you also monitor
18 the morale of the City employees?

19 A. I don't have to monitor; the City employees talk to
20 me.

21 Q. Okay. So you would say that you're generally aware of
22 the morale of the City employees?

23 A. If they talk to me, yes.

24 Q. And do you monitor in any way the productivity and
25 performance of the City's employees?

1 BRENDA JONES

2 A. The City employees do not report to me. If there's a
3 concern, I will let the mayor and/or the corporation
4 counsel know about the concern.

5 MARKED FOR IDENTIFICATION:

6 DEPOSITION EXHIBIT 3

7 11:38 a.m.

8 BY MR. ARNAULT:

9 Q. Madam President, I'm showing you what's been marked as
10 Jones Exhibit 3. Have you had a moment to review that
11 document?

12 A. Yes, I have.

13 Q. Just for the record, it's an October 2013 press
14 statement regarding certain cuts to health benefits.
15 So I take it you're aware that in October of 2013, the
16 City announced there would be changes to healthcare;
17 is that right?

18 A. Correct.

19 Q. And these were changes to both active and retire
20 healthcare; is that right?

21 A. Correct.

22 Q. Let's start first with the changes to active
23 healthcare. Do you know if the proposed changes to
24 tif healthcare had any impact on the morale of the
25 City employees?

1 BRENDA JONES

2 A. Yes.

3 Q. And that's because the City employees care about the
4 benefits that they receive; is that right?

5 A. That is correct.

6 Q. And did you talk to your employees about -- or did you
7 talk to the employees about the changes to their
8 active healthcare?

9 A. Yes, I have.

10 O. Okay. And what do they tell you about it?

11 A. No one is happy when changes occur, and no one's happy
12 when the costs increases. People like to see a
13 decrease, so they were concerned with the cost as well
14 as the coverage.

15 Q. And based on your discussions with them, did this
16 announcement impact employee morale?

17 A. No one said it impacted their morale. They just
18 discussed to me what was going on.

19 Q. Based on your conversations, did you get the sense
20 that had had a negative impact on the City employees?

21 A. Yes.

22 Q. And were you able to tell based on your discussions
23 with them the employees that this announcement had an
24 impact on productivity or job performance?

25 A. I could not tell.

1 BRENDA JONES

2 Q. Were you consulted about the -- the changes to active
3 healthcare that were announced in October 2013?

4 A. Yes, Council was consulted.

5 Q. And who did you speak with about the changes to active
6 healthcare in October?

7 A. I don't -- I don't -- I don't remember, but someone
8 came to the table, and informed counsel of the
9 changes.

10 Q. And would this have been someone from Mr. Orr's
11 office?

12 A. I believe it was someone from the HR, but I don't
13 remember who.

14 Q. And the purpose of this, informing the Council, was
15 just to simply let them know that these are the
16 changes that the emergency manager would be proposing?

17 A. I don't recall.

18 Q. In October of 2013, the City also announced that it
19 was making changes to the healthcare of retirees; is
20 that right?

21 A. Correct.

22 Q. And these changes affected only those employees who
23 had already retired; is that right?

24 A. Correct.

25 MR. BARNOWSKI: Object to form.

1 BRENDA JONES

2 BY MR. ARNAULT:

3 Q. And would it be fair to say that the announcement
4 regarding the changes relating to retire healthcare
5 did not have an impact on the active employees?

6 A. I'm sorry can you repeat that.

7 Q. Would it be fair to say that the announcement
8 regarding the changes to retire healthcare did not
9 have an impact on active employees?

10 A. I can't answer.

11 MR. BARNOWSKI: Same objection.

12 BY MR. ARNAULT:

13 Q. So you don't know whether the changes to retiree
14 healthcare had any impact on the active employees?

15 A. Well, we talked about the changes to active employees
16 and now we're talking about the changes to retirees,
17 so maybe I don't understand your question.

18 Q. Well, I just want to know whether the changes to
19 retiree healthcare in your conversation with the
20 active employees, whether they expressed concern
21 regarding the changes to retiree healthcare and
22 whether that had any impact on them?

23 A. I don't know.

24 MR. BARNOWSKI: Same objection.

25 BY MR. ARNAULT: